

THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

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LIVESTOCK NOW IN THE LIMELIGHT

On the production side, the key to developments of next four months rests with the livestock industries.

The great money crops are now known factors. Cotton apparently has a good outlook through the period of farmer marketing. Corn, potatoes, apples, and tobacco are in positions of varying strength. Wheat has been weak and continues so. The point is that the crop situation is now out where it can be seen and reckoned on accordingly.

It is with the animals that the greatest uncertainties lie. The swine industry is liquidating, probably incident to heading out of a period of very heavy production. The dairy industry seems heading into a period of heavier production. Beef cattle producers are trying to catch their breath after three years of depression. The sheep industry is riding the crest of a remarkable wave of prosperity. Just where these various enterprises are going to stand six months hence is anybody's guess.

Moreover, on where they stand depend the profit or loss from a vast crop of grain, hay and forage grown under unusual difficulties. It is one thing to figure up big corn and hay crop values on paper; but to actually realize those values in terms of hogs and dairy products sold during the next four months may take a master hand.

On the demand side, prospects still hold out fair promise but not the boom market of six months ago. In general, the cities seem able to take more fresh eggs and more butter; but farmers who are minded to turn to heavier pork, market milk, or lamb production for next spring should keep a close eye on urban conditions. As livestock products go, so goes the agricultural situation this winter.

KEY REGIONS AT A GLANCE

THE EAST - Dairymen somewhat nonplused by heavy fall production costs accompanied by weakness in milk markets. Potato growers coming out rather better than expected; fall movement of the crop fairly heavy. Fruit growers generally in fair spirits, though crop was poor in sections. East probably in better shape, generally speaking, than last year.

THE SOUTH - Cheered by price of cotton, but many sections discouraged at almost total failure of the crop. Cotton harvest was delayed by much bad weather but picking and ginning now near completion. Rice crop threshed out to generally good yields. Sweet potato yields fairly good though some rotting in fields. South stands to have substantially larger income than last year.

CORN BELT - Corn husking and cribbing well along. Frequent reports of soft, chaffy corn with high moisture content and yields below expectation. Heavy run of hogs to market and prices low. Increasing reports of cholera and other diseases. As a region, the Corn Belt appears fairly optimistic, although the general corn-hog position is disquieting to livestock men.

WHEAT BELT - Still in the grip of discouragement and still canvassing possible remedies for low price situation. Winter grain showing good stands; furnishing considerable pasture in South. Area planted said to be somewhat below last year. Wheat Belt is the chief exception to general improvement.

RANGE COUNTRY - Livestock now on the winter ranges. Fall run of cattle to market about ended. Cattle and sheep generally going into winter in good condition and range is the best in years. Cattle men still pessimistic. Some leading sheep men beginning to sound a conservative note on further expansion. Sugar beets harvested and good yields reported.

PACIFIC COAST - Citrus fruits doing well; orange movement under way. Raisin drying about completed. California suffered somewhat from dry weather. North not in very good spirits, due to low prices of apples, wheat and cattle.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

Crop	1913 Production	1917-1921 Average	1922 Production	1923 Oct. Estimate	1923 Nov. Estimate
Wheat, bu.					
Winter	523	590	586	568	568
Spring	240	245	276	214	214
All	763	835	862	782	782
Corn, bu.	2,447	2,931	2,891	3,021	3,029
Oats, bu.	1,122	1,378	1,201	1,302	1,302
Barley, bu.	178	192	186	199	199
Rye, bu.	41	70	95	65	65
Cotton, bales	14.1	11.2	9.76	11	10.25
Potatoes, bu.	332	388	451	401	417
Hay, all, tons	64	99	113	103	103
Apples, bu.	145	160	201	191	194
Peaches, bu.	40	43	57	46	46
Flax, bu.	18	10	12	20	19
Tobacco, lbs.	954	1,361	1,325	1,462	1,437
Grain sorghums, bu.	---	103	90	106	104

Total acreage this year about 0.6% more than last year. Total production slightly (0.5%) below last year but same as preceding five-year average.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending November 1, 1923.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	Oct. <u>1913</u>	Oct. <u>1922</u>	Sept. <u>1923</u>	Oct. <u>1923</u>
Cotton, per lb.	¢ 13.0	22.4	27.2	28.8
Corn, per bu.	¢ 70.7	62.9	85.7	83.9
Wheat, per bu.	¢ 77.0	97.8	93.2	95.1
Hay, per ton	\$ 11.51	10.96	12.42	12.45
Potatoes, per bu.	¢ 69.6	62.8	100.2	82.7
Oats, per bu.	¢ 37.9	38.2	38.6	40.2
Apples, per bu.	¢ 90.0	98.5	115.1	105.0
Beef cattle, per 100 lbs.	\$ 6.05	5.48	5.70	5.48
Hogs, per 100 lbs.	\$ 7.60	8.33	7.81	7.23
Eggs, per dozen	¢ 27.4	37.6	32.4	38.3
Butter, per lb.	¢ 28.2	38.5	41.4	42.9
Wool, per lb.	¢ 15.5	32.2	37.1	36.9
Veal calves, per 100 lbs.	\$ 7.72	8.17	8.34	8.37
Lambs, per 100 lbs.	\$ 5.50	10.06	10.28	10.17

The outstanding price change of the month was a lowering of major livestock products. As a group, these practically lost the gains made in previous month.

Other slight changes were in line with usual seasonal trend, except for increase in cotton and small grains.

PRICES INDEXES FOR MONTH ENDING NOVEMBER 1

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	Oct. <u>1922</u>	Sept. <u>1923</u>	Oct. <u>1923</u>	Month <u>Trend</u>
Cotton	181	219	232 - -	Higher
Corn	106	144	141 - -	Lower
Wheat	125	119	121 - -	Higher
Hay	100	113	113 - -	Same
Potatoes	98	156	129 - -	Lower
Beef cattle	93	97	93 - -	Lower
Hogs	111	104	97 - -	Lower
Eggs	195	167	198 - -	Higher
Butter	143	153	159 - -	Higher
Wool	193	222	221 - -	Lower

Commodity Groups

(Wholesale Prices)

	OCT. <u>1922</u>	SEPT. <u>1923</u>	OCT. <u>1923</u>	Month <u>Trend</u>
Farm products	138	144	144 - -	Same
Food, etc.	140	147	148 - -	Higher
Cloths & clothing	188	202	199 - -	Lower
Fuel & lighting	226	176	172 - -	Lower
Metal & met. products	135	144	142 - -	Lower
Bldg. materials	183	182	182 - -	Same
Chemicals, etc.	124	128	129 - -	Higher
House-furnishing goods	176	183	183 - -	Same
<u>ALL COMMODITIES</u>	154	154	153 - -	<u>LOWER</u>

RELATIVE PURCHASING POWER

(At October 1923 Farm Prices)

1913 = 100

In terms of	Of a Unit of:				
	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	152	92	79	74	84
Cloths, etc.	117	71	61	57	65
Fuel, etc.	135	82	70	66	75
Metals, etc.	163	100	85	80	91
Bldg. materials	127	78	67	62	71
House-furnishing goods	127	77	66	62	71

	Beef cattle	Swine	Eggs	Butter	Wool
All commodities	61	63	129	104	144
Cloths, etc.	47	49	100	80	111
Fuel, etc.	54	56	115	92	129
Metals, etc.	65	68	139	112	156
Bldg. materials	51	53	109	87	121
House-furnishing goods	51	53	108	87	121

The only substantial change in purchasing power indexes during October was an increase in cotton and eggs, and a decline in potatoes.

Farm products as a whole failed to score any advance in purchasing power due to the decline in prices among major livestock classes. Prices of non-agricultural commodities declined slightly but prices of livestock declined proportionally enough to offset it.

This gives point to the fact that livestock products have moved into something of a key position in respect to the general agricultural situation.

SUMMARY OF PRICE INDEX NUMBERS

1913 = 100

In the following, farm price indexes are compiled by this Bureau; wholesale prices are the Department of Labor indexes. Purchasing power represents relationship between prices, at the farm, of farm products and wholesale prices of non-agricultural products, unit quantities being considered in each case.

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price All Commodities	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100	100
1914	108	103	106	98	94	112
1915	110	95	102	101	97	106
1916	124	111	118	127	132	89
1917	208	164	186	177	176	106
1918	224	192	208	194	186	112
1919	234	198	216	206	195	111
1920	238	168	203	226	234	86
1921	109	107	108	147	161	67
1922	113	111	112	149	163	69
1922						
January	98	95	96	138	150	65
February	105	108	106	141	149	71
March	112	117	114	142	150	76
April	115	115	115	143	153	75
May	118	118	118	148	161	73
June	119	119	119	150	164	72
July	118	119	118	155	172	69
August	114	112	113	155	176	64
September	110	109	110	153	170	64
October	110	110	110	154	169	65
November	118	105	112	156	169	66
December	123	104	114	156	168	68
1923						
January	126	106	116	156	170	68
February	130	107	118	157	172	69
March	134	106	120	159	175	69
April	139	107	123	159	176	70
May	140	105	123	156	172	71
June	139	100	120	153	168	71
July	136	102	119	151	165	72
August	136	102	119	150	163	73
September	138	109	123	154	164	75
October	139	103	121	153	161	75

* "All commodities", excluding farm products and food.

Expressed in terms of non-agricultural commodities.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	569,340
1922 Total	418,961	393,773	44,067	23,192	22,364	650,482
1922 Jan.	18,372	52,097	4,278	1,628	1,835	41,697
" Feb.	21,151	58,330	3,613	1,416	1,400	38,894
" Mar.	19,729	31,035	3,411	1,622	1,465	44,919
" Apr.	15,536	14,552	3,067	1,470	1,227	42,694
" May	29,015	27,083	3,737	1,878	1,692	68,893
" June	19,753	31,157	3,776	1,759	1,700	93,139
" July	42,128	25,975	2,980	1,710	1,677	92,829
" Aug.	59,649	24,380	3,037	2,149	1,951	62,494
" Sept.	56,992	35,296	3,062	2,397	2,303	46,419
" Oct.	49,097	33,056	3,682	2,936	3,311	41,351
" 10 mos.	331,422	332,961	34,643	18,965	18,561	573,329
1923 Jan.	38,002	38,371	5,306	1,876	1,636	48,697
" Feb.	20,176	30,518	4,492	1,427	1,366	39,877
" Mar.	22,081	24,710	4,928	1,502	1,430	49,881
" Apr.	21,785	16,836	4,318	1,670	1,447	48,881
" May	17,457	10,840	4,524	1,900	1,794	55,459
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,084
" Aug.	63,012	25,845	3,714	2,214	1,800	57,393
" Sept.	44,196	18,355	3,607	2,295	2,659	41,732
" Oct.	38,380	16,541	4,816	2,802	3,465	38,557
" 10 mos.	319,741	215,141	44,090	19,218	18,684	520,964

Movement of grain, especially corn, much below last year.

The run of hogs to market continues extremely heavy. Cattle and sheep about like last year.

Butter receipts lighter than last year.

There is some little evidence in these items bearing on the trend of prices.

THE TREND OF EXPORT MOVEMENT

Compiled from Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour 1,000 Bushels	TOBACCO (Leaf) 1,000 Pounds	BACON HAMS AND SHOULDERS 1,000 Pounds	LARD 1,000 Pounds	TOTAL* MEATS 1,000 Pounds	COTTON# running bales 1,000 Bales
1922 January	15,010	32,265	48,120	73,194	55,777	476
" February	10,992	25,846	66,003	75,520	62,647	338
" March	14,374	32,967	54,763	64,377	62,231	461
" April	10,449	40,190	43,284	42,459	48,828	598
" May	14,267	39,844	44,058	50,817	50,196	469
" June	18,200	30,324	55,621	57,249	64,124	491
" July	19,124	32,319	59,252	66,058	67,886	373
" August	38,964	28,958	51,353	68,907	60,443	273
" September	31,839	33,102	51,040	61,120	60,863	368
" October	25,077	58,353	50,940	66,333	60,651	799
1922 10 mos.	198,296	354,168	524,434	626,034	593,646	4,646
1923 January	12,519	41,652	74,432	107,786	86,938	473
" February	12,197	25,978	64,488	89,055	75,023	360
" March	10,725	31,641	66,441	109,187	75,933	318
" April	10,195	40,186	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,607	160
" June	12,881	49,730	68,480	64,605	68,823	215
" July	12,822	44,105	64,264	69,478	74,165	171
" August	19,929	33,214	69,194	83,758	80,129	244
" September	22,465	36,646	76,911	83,630	88,859	689
" October	18,652	44,958	72,341	76,378	83,183	782
1923 10 mos.	146,781	376,531	689,687	862,551	783,623	3,672

Export of pork products in October much above last year. This is significant. Wheat exports lighter. Cotton about like last year. Our general export market is still a very important factor.

* Includes fresh, canned and pickled beef, bacons, hams and shoulders, fresh, canned, and pickled pork, mutton and lamb.

Includes linters.

THE COLD STORAGE SITUATION

Nov. 1 holdings (Figures given show nearest million)

<u>Commodity</u>	<u>5 Year Average</u>	<u>Nov. 1, 1922</u>	<u>Oct. 1, 1923</u>	<u>Nov. 1, 1924</u>
Creamery butter, lbs.	87	74	96	76
American cheese, lbs.	48	41	62	58
Case eggs, cases	4.5	5.7	8.7	6.6
Total poultry, lbs.	35	30	33	37
Total beef, lbs.	139	68	48	64
Total pork, lbs.	463	395	613	505
Lard, lbs.	55	37	73	37
Lamb & mutton, lbs.	15	3	2	2
Total meats, lbs.	687	512	723	627
Apples, bbls.	4.4	5.5	.9	6.3

Storage holdings of dairy products and eggs decreased during October, while poultry and beef increased. Pork and lard decreased materially.

The storage situation is quite in line with seasonal trend except in case of pork products. Evidence of heavy domestic and export consumption of pork continues.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1922 Oct.	1923 Sept.	1923 Oct.	Month's Trend
PRODUCTION				
Pig iron (Thou. tons)	2,638	3,126	3,149	About same
Bituminous coal (Millions tons)	--	46	--	- - - - -
Cement (Millions barrels)	12	13	13	Same
Automobiles shipped (Thou. carloads)	27	36	42	Increase
CONSUMPTION				
Cotton by mills (Thou. bales)	534	484	542	Increase
Unfilled orders Steel Corp. (Thou. T.)	6,902	5,036	4,672	Decrease
Hogs slaughtered (Thousands)	2,362	2,276	3,129	Increase
Cattle " "	1,299	1,104	1,373	Increase
Sheep " "	1,067	894	981	Increase
MOVEMENTS				
Bank clearing (N.Y.) (Billions dollars)	20	15	18	Increase
Car loadings (Weekly av., Thousands)	978	1,037	1,078	Increase
Mail order sales (Millions dollars)	30	26	38	Increase
Men employed, 1428 firms (Thousands)	-----	2,030	2,025	Decrease
Interest rate, Coml. Paper (60-90D)	4.38	5.16	5.13	Decline
Loans and discounts, F.R.M. banks (Billions dollars)	11	12	12	Same
Retail Food Price Index (Dept. Labor)	143	149	150	Higher
Wholesale Price Index (Dept. Labor)	154	154	153	Lower
Av. price 25 industrial stocks (dollars)	111	103	102	Lower

The state of business is not so easily summed up as when in the flush of boom times earlier in the year. There has been hesitancy at several points along the line. Manufacturers appear to be between a Mephistopheles of rising costs and a deep-blue-sea of potential curtailment by consumers. Still, on the whole, production has remained heavy, movement very heavy, and prices fairly stable.

So far as the urban market for farm products is concerned, it is still strongly sustained. However, consumers are inclined to take note of higher prices on eggs, butter, meats, etc.

POSSIBILITIES IN THE HOG SITUATION

C. L. Harlan, Livestock Statistician, B. A. E.

The pig survey of June, 1923 showed an increase of 5.8 per cent in the spring pig crop of 1923 over that of 1922 in the Corn Belt States. The stock hog estimate of September 1 shows an increase of 4.3 per cent over 1922 in the same area. The spring pig crop of 1922 in the Corn Belt was above 43,000,000 head, of which around 29,000,000 head were marketed from October 1, 1922 to June 1, 1923; around 6,700,000 head were slaughtered on farms or locally and 7,500,000 head were retained for breeding purposes.

If the spring crop of 1923 was 5.8 per cent larger than that of 1922 this increase was around 2,500,000 head. If the farm and local slaughter remain the same and the same number of sows are retained for breeding purposes this increase will be added to the 29,000,000 head marketed from the 1922 crop making the market supply of the 1923 crop around 31,500,000 head. If the increase is only 4.3 per cent, as shown by the stock hog estimate of September, the market supply would be increased by 1,800,000. However, if the low price of hogs discourages hog production for the coming year it is possible that this market supply may be further augmented by sows not kept for breeding purposes.

The problem confronting the Corn Belt farmers is how to distribute the marketing of this enormous supply to best conform to packer operations and consumptive demand and make possible the realization of the highest net returns for the whole crop. The corn crop in the Corn Belt promises to be somewhat larger than that of last year but the carry-over of old corn on November 1 is estimated at less than one-half that of last year. The total available supply in the Corn Belt on November 1 would seem to be about 10 per cent larger than on that date last year but of somewhat poorer feeding quality; also the increase comes largely in States west of the Missouri River that lie to the west of the normal Corn belt limits and outside the area of large hog production. The present and prospective prices of corn are considerably higher than at this time last year and the prices of hogs are materially lower. The corn-hog price ratio from July 1 to November 1, 1923, has been the most unfavorable for this period for hog producers in over fifty years.

An unfavorable corn-hog price ratio in the fall and early winter almost always results in a heavy early movement of light weight hogs, especially if the supply of hogs is large. A favorable price ratio tends to hold back the supply and increase the weight. Last year, 1922, the price situation during the fall be-

tween corn and hogs was favorable to feeding and it continued fairly so during the early winter; also during the previous winter, that of 1921-1922, prices of hogs advanced materially from November to February; hence the percentage of the 1922 spring crop of hogs marketed after March 1, 1923 was large - the inspected slaughter from March 1 to June 1, 1923 being around 71 per cent as large as that from November 1, 1922 to March 1, 1923. In the crop year 1916-17 this percentage was only 48 per cent; in 1918-19 around 52 per cent and in 1908-09 around 55 per cent and the average for 13 years from 1909-10 to 1921-22 around 58 per cent. The three years given were among those of unfavorable corn-hog ratios during the thirteen, but none of them were as unfavorable as at present.

The receipts of hogs in October, 1923, were the largest for the month ever known and around 35 per cent larger than in October last year, which was one of the largest Octobers on record. The receipts to date in November continue to show similar increases. The unfavorable price ratio and the large supply are resulting in the to-be-expected heavy movement.

The winter inspected slaughter of hogs last year November 1, 1922 to March 1, 1923 was 18,910,000 but that of 1918-19 was 20,050,000; however, if the distribution of the crop last year had been in the same proportion as in 1918-19 the winter slaughter would have been around 21,200,000; if the distribution had been similar to the 13 year average the winter slaughter would have been 20,500,000. If the market supply of hogs is as much larger than that of last year as the pig survey and September estimates indicated, the winter slaughter this year can run to around 22,000,000 head and still leave nearly as many hogs for slaughter from March 1 to June 1 as were slaughtered the past year, which was the record period for these months by over 3,000,000 head.

The production of pork from federally inspected slaughter in the winter of 1922-23 was over 100,000,000 pounds more than in the winter of 1918-19 although the slaughter was 1,140,000 head less. This was due to the heavier weight and higher quality of the hogs slaughtered. A reduction of 20 pounds per head in the weight of hogs this coming winter would decrease by over 10 per cent the pork production per hog but even then the total pork production would be larger than that of last winter if 22,000,000 hogs are slaughtered. But the average weight of hogs for slaughter at the leading markets in October this year showed little change from that of last year, although quality is reported poorer and the proportion of stock of pigs in the receipts was larger. This would indicate that there is yet no great evidence of undue liquidation of light weight hogs.

If the inspected slaughter this winter runs around 22,000,000 head, a slaughter of around 5,000,000 head in November, 6,000,000 in December, 6,000,000 in January and 5,000,000 in February is to be

expected. In terms of receipts at the 12 leading markets for which weekly totals are published in "Weather, Crops and Markets", this would indicate an average of around 725,000 head per week during November, 950,000 head in December, 875,000 head in January and 860,000 head in February.

The storage holdings of pork products on October 1 were over 685,000,000 pounds, over 120,000,000 pounds more than on October 1, 1922 and only exceeded on that date in 1919 and 1920. While consumption and exports were large in October, in view of the heavy October run of hogs, it is to be expected that the holdings at the beginning of the new storage year in November will be considerably higher than those at that date last year. The packing industry will start the new year with a carry-over considerably higher than the normal.

In view of this situation it is probable that a strong effort will be made by the packers to force a larger proportion of products into current winter consumption and accumulate less surplus than last year. If so, then winter consumption will be called upon to take considerably larger supplies than during last winter.

The uncertain figure in the above analysis is the increase in the 1923 spring crop over the spring crop of 1922. The uncertainty here is as to the reliance that can be put in the pig survey indications and the September 1 estimate. During 14 years the September 1 estimate covering the Corn Belt States indicated the right direction 9 times and the wrong 5, as shown by the succeeding marketings, but if there was any very considerable change either way it did not show it large enough. The pig surveys in June and December 1922 were quite accurate indicators of the 1923 marketing situation. Other available information points to the correctness of the 1923 June survey.

Assuming that there is the increase indicated it is possible that the situation from a marketing point of view may become quite serious. If the price of corn advances further the corn-hog ratio will become more unfavorable which will tend to speed up the marketing of hogs; this in turn will lower the price of hogs and make the price ratio still more unfavorable. Severe winter weather in the Corn Belt making necessary the feeding of more corn to other stock and also reducing the possible gains from hog feeding will also speed up the market movement.

CATTLE SITUATION IN NOVEMBER, 1923

C. E. Gibbons, Division of Livestock Marketing, B. A. E.

The producer of beef cattle today finds himself in a rather incongruous position. When viewed from most of the angles ordinarily used to approach such a problem the cattle man should be in a fairly prosperous condition.

Supplies of beef cattle are not excessive anywhere. In fact the cry of an impending cattle shortage has been heard at divers times and in sundry places during the past two or three years. General industrial conditions may be considered good and a majority of people are employed at remunerative wages. Beef has always been considered a prosperity meat and, as a rule, during periods of industrial activity the cattle man has profited from an active consumptive demand and comparatively high prices for his commodity. As a matter of fact beef consumption during the first nine months of this year showed a moderate increase over a year ago. Furthermore average prices of medium and good beef steers on the Chicago market about the middle of November were approximately 50¢ per 100 pounds higher than in 1922 and in the neighborhood of \$1.25 higher than in 1921. Furthermore weather conditions during the season just closed have been unusually favorable and, with the exception of a few rather limited areas pasture and range conditions have been exceptionally good.

Despite all these favorable circumstances, however, the tragic fact remains that few cattle producers are doing more than breaking even, many of them are going out of business because of discouragement over the failure of market prices to keep pace with production costs, and many are being forced into bankruptcy by having loans called and a further extension of credit denied.

The estimated number of cattle, other than milk cows, on farms January 1, 1923 was only 373,000 greater than a year earlier and, with the single exception of 1922, was the smallest since 1917. Receipts at public stockyards during the first ten months of 1923 were only about 250,000 greater than a year ago and during September and October of the current year receipts of cattle and calves actually showed declines of more than 4% compared with the corresponding months of 1922. The amount of carcass beef produced during the first nine months of 1923 from cattle slaughtered under Federal inspection was only about 98,000,000 pounds greater than a year earlier - an increase of less than one pound per capita.

In view of these considerations the distress which is now so plainly in evidence throughout much of the cattle producing area can scarcely be attributed to either overproduction or reckless and illadvised marketing.

The present cattle situation, like most other events of human experience, is the logical result of a definite cause. Furthermore,

it may assist in discovering this cause if it is borne in mind that for several years past cattle men have been divided into two rather distinct groups - the producers of range cattle and calves and the producers of finished beef animals which are largely the cattle feeders of the Corn Belt and eastern sections of the country. Although the ultimate interests of these two groups are identical their immediate interests are frequently antagonistic. The Corn Belt feeder, for example, wants cheap feeder cattle and high fat cattle prices but cheap feeders are ruinous to the range cattle man and high fat cattle do not always rebound to his immediate profit.

During the past year the cattle feeder enjoyed a fair degree of prosperity because fat cattle prices as a rule advanced sufficiently to show him a profit. The range cattle man, however, failed to share this prosperity largely because by the time he was ready to market his stock the price of corn had risen to almost unprecedented heights and consumers had registered an effective protest against advancing beef prices, both of which movements were reflected in the price of feeders which constitute the range cattle man's chief stock in trade. As a result of all this, although fat cattle prices are slightly higher than a year ago, a majority of range cattle have shown no advance and range cows and heifers will probably average considerably lower than in the fall of 1922.

In a situation where existing circumstances can not be fully explained it is difficult to make a very accurate estimate regarding the future trend of events. Some things, however, may be said with certainty. Stocker and feeder shipments of cattle and calves during the first 10 months of 1923 were approximately 221,000 head or nearly 9% less than a year ago. Compared with the five-year average, however, such movements during September showed an increase of more than 15% and in October of nearly 9%.

A survey as of November 1 this year indicated that during the four months, July, August, September and October of this year about the same number of unfinished cattle moved into the Corn Belt as a year ago which would seem to indicate that the supply of beef cattle during the coming winter and spring will be about the same as last year. Some of the Corn Belt States, however, notably Iowa and Nebraska, show a disposition to materially curtail their feeding operations this winter, movements into those two States during the four months named falling 20% under those of the corresponding period in 1922.

A rather interesting feature of the situation is the apparent disposition of Corn-Belt feeders to protect themselves so far as possible from loss through temporary fluctuations in market price by taking, on the average, much lighter weight cattle than formerly. The survey referred to above indicates that so far as Chicago and Omaha markets are concerned the number of feeders going out weighing over 1,000 pounds decreased nearly one-third and those weighing between 900 and 1,000 pounds decreased more than 10%, whereas cattle weighing from 900 pounds down showed a very considerable increase.

In the range cattle area the best information obtainable is to the effect that up to the middle of October the proportion of cows and heifers marketed this fall increased from 5 to 10% over a year ago. If this tendency to market the stock should continue throughout the season it will, in all probability, materially reduce the number of breeding animals on the range. Some of this marketing consists in forced liquidation resulting from banks and loan companies calling in loans. How far this movement will progress it is impossible to foresee but judging from the numbers and character of cattle arriving at central markets there does not at the moment seem to be any reason for believing that it has as yet assumed alarming proportions.

When in 1920 and 1921 the cattle market shot downward many cattle carried mortgages which far exceeded their market value. Special efforts were made by various financial institutions and interests to avoid disaster by renewing loans as they came due. From time to time calves and yearlings have been sold because there has been a relatively much better market for that kind of stock than for more mature animals. The proceeds from such sales have gone partly to pay current expenses and partly to reduce loans. In the meantime the breeding stock has been growing steadily older and for that reason decreasing in value. In many cases banks have forced stockmen to clean up both their stock and their loans and in others the discouraged stockmen have accomplished the same ends voluntarily.

There are those - as a rule belonging to the fortunate group which is not being seriously pinched by the present clean-up movement - who look upon the present situation with complacency, believing that a reasonable reduction in numbers of range cattle will be a good thing for the industry particularly if replacements are made from stock of improved breeding.

CONDITIONS IN WASHINGTON STATE

R. N. Miller, State College of Washington

The farmers of Washington, generally speaking, have been selling their crops as soon as possible, to get money to run on. Crops generally were better this year than for several years past; but cost of labor, machinery and most other costs are higher than last year.

The prospects for next year's crop may be considered good or bad, depending upon how you look at it. For example, because of a shortage of farm labor, high cost of such labor, lack of money on the part of the farmer, and because of the abundance of rain this year, the summer-fallowed land is generally in very poor condition, due to an exceptional weed growth. Fields that usually are without a weed can

hardly be told from land that was not plowed, for they are very foul. This will have a tendency to reduce next year's crop - for growing a crop of weeds is very hard on land; nearly as hard, in fact, as a crop of grain. Much of the summer-fallow has not been worked as in years past. Therefore, as a whole, I would say that the summer-fallow is in the poorest condition that I have seen it.

To offset this, we have had good early fall rains in most of the wheat growing section and farmers left their harvesting work to plant their wheat, using different methods of getting the weeds off the ground. This should make for a good crop next year if they had a good summer-fallow - for generally speaking, early fall rains make it possible to seed winter wheat, and winter wheat usually yields from six to ten bushels per acre more than spring wheat, maturing ahead of the hot weather. I believe that a normal acreage of wheat will be planted, with the acreage possibly somewhat less than last year in the drier sections. However, these drier sections for the past four or five years have not cut very much figure in our total yields.

We have a wonderful crop of fruit this year, with the size, colors, and absence of worms better than the average. The car shortage is not as acute as it was last year; but our prices are very low. Last week when I visited a prominent orchard section, I was advised that some farmers would pick only the better grades of fruit this year.

Alfalfa hay in the central Washington section is selling very low, but this year more farmers than ever are feeding their alfalfa hay on the farm. This, I believe, is a good sign, providing a suitable market will be maintained for the disposal of fat stock. I believe that the market will be good for this kind of produce. Farmers are going at this new venture in a business-like way, keeping accurate records of the costs of feed and the returns that they get.

At present the most prosperous part of our State is western Washington where dairy and poultry raising are the rule. Continued good prices for dairy and poultry products have made these farmers more prosperous than in eastern Washington. More homegrown feeds have been produced, which in turn has tended to increase the net income from the farm. Our farmers can not afford to ship feeds very far, for the freight rates are too high.

We have had excellent weather for harvesting fall grain, and for all kinds of fall work, with just the right amount of moisture to sprout weed seed and to enable the farmers to sow their grain.

